

Press Release

Eurogas welcomes Infrastructure Package and looks forward to future developments

Brussels, 19 October 2011 - Eurogas welcomes the Commission's Infrastructure Package and more particularly the Commission's Proposal for an Energy Infrastructure Regulation, which recognizes the essential role of gas in Europe's energy mix and the importance of ensuring timely development of gas infrastructure across the European Union and its neighbourhood. We support the Regulation proposals to promote the needed infrastructure "to meet the Union's core energy policy objectives of competitiveness, sustainability and security of supply."

Eurogas shares the Commission recognition that natural gas will "play a key role in the EU's energy mix in the coming decades". The Eurogas Roadmap 2050¹ shows that gas can contribute significantly to achieving the EU's climate targets and it is therefore essential that the necessary infrastructure is in place. Gas infrastructure will need an increase of 30% of investment volumes or EUR 70 billion up to 2020². Most of these investments are expected to come from the private sector at a challenging time for investors. The right policy framework has to be in place that is conducive to the necessary investment in gas infrastructure.

Eurogas broadly supports the main principles of the Regulation:

- The **recognition of the need for a stable and predictable political and regulatory framework** in the long term to promote gas infrastructure;
- The reinforcement of the **European perspective to infrastructure**;
- The objectives of **facilitating and accelerating permit granting**.

While Eurogas will analyze in more detail the Commission's proposals, we would like to make some early suggestions to clarify the proposal:

- Full consideration should be given to all infrastructure projects and thus, **greater involvement of network users/non TSO investors in the process** of selecting projects of common interest. Encouraging a more interactive selection process would certainly contribute to easier and smoother implementation afterwards;
- Lack of regulatory clarity and uncertainties should be avoided. The **current proposal should be consistent with the implementation of other EU initiatives** with similar objectives, such as the Security of Supply Regulation and the implementation of the Third Package, especially in view of the regional approach we basically welcome;
- The tabled proposal for a Regulation establishes sound **general principles, which will need to be further elaborated**, especially as far the criteria and the cost-benefit analysis are concerned. Eurogas is available to be closely involved in the future work;
- Finally, Eurogas recalls that infrastructure **investments should in general be essentially market driven**. Financial instruments supporting infrastructure are welcome, as long as they comply with the usual robust criteria to ensure that the gas infrastructure projects supported satisfy the EU's financial and societal objectives and are economically feasible. In particular, activities which potentially harm other commercial investments should be avoided, in order to ensure that public and private efforts together aim at an optimal use of the available resources.

EUROGAS is a Brussels based non-profit making organisation and has the following members:

AFG - Association Française du Gaz (FR), AGN - Associação Portuguesa de Empresas de Gás Natural (PT), ANIGAS* - Associazione Nazionale Industriali Gas (IT), BDEW - Bundesverband der Energie- und Wasserwirtschaft e.V. (DE), Bord Gáis Éireann (IE), BOTAS* (TR), BP (UK), Bulgargaz* (BG), Centrica (UK), CPU - Czech Gas Union (CZ), DEPA (GR), Distrigas (BE), DONG Energy (DK), EDF - Electricité de France (FR), Edison (IT), EGL AG (CH), ENA - Energy Networks Association (UK), Energie-Nederland (NL), Energigas Sverige (SE), ENI (IT), ENOVOS Luxembourg S.A. (LU), E.ON Ruhrgas AG (DE), Febeg (BE), FGW - Fachverband der Gas- und Wärmeversorgungsunternehmen (AT), Galp Gás Natural s.a. (PT), Gas Natural Fenosa (ES), GasTerra (NL), Gasum (FI), GAZBIR* Natural Gas Distribution Companies Association of Turkey (TR), GDF SUEZ (FR), Geoplin (SI), GERG - European Gas Research Group (EU), HMN Naturgas (DK), Latvijas Gaze* (LV), Lietuvos Dujos* (LT), Marcogaz (EU), MGE - Hungarian Gas Association (HU), Naftogaz of Ukraine* (UA), OMV Gas and Power GmbH (AT), PGNIG - Polish Oil and Gas Company (PL), Romgaz* (RO), Russian Gas Society* (RU), RWE Supply & Trading GmbH (DE), SEDIGAS - Asociación Española del Gas (ES), SHELL Energy Europe Ltd. (UK), South Hook Gas Ltd (UK), Slovenský plynárenský priemysel, a.s. (SPP) (SK), Swiss Association of Gas Industry (CH), Swissgas (CH), Synergrid* (BE), Total S.A. (FR), VNG AG - Verbundnetz Gas AG (DE)

* Associate Members

For more information, please contact Ms. Emilie Marinova, Senior Economic Manager at:

Avenue de Cortenbergh, 172, B-1000 Brussels, Tel: +32.(0)2.894.48.06, E-mail: em@eurogas.org - Website: www.eurogas.org

¹ Eurogas Roadmap 2050, 13 October, http://www.eurogas.org/publications_economics.aspx

² p.33-34, COMMISSION STAFF WORKING DOCUMENT, IMPACT ASSESSMENT accompanying document to the COMMUNICATION Energy infrastructure priorities for 2020 and beyond - A Blueprint for an integrated European energy network, 17.11.2010